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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/092,361	03/05/2002	Phil Delurgio	DEM1P010	9613

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[REDACTED] EXAMINER

COSIMANO, EDWARD R

ART UNIT	PAPER NUMBER
3629	

DATE MAILED: 02/26/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	10/092,361	DELURGIO ET AL.	
	<b>Examiner</b> Edward R. Cosimano	<b>Art Unit</b> 3629	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 05 March 2002.
- 2a) This action is **FINAL**.                  2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) none is/are withdrawn from consideration.
- 5) Claim(s) 1-7 and 15-20 is/are allowed.
- 6) Claim(s) 8-14 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on 05 March 2002 is/are: a) accepted or b) objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) The proposed drawing correction filed on \_\_\_\_\_ is: a) approved b) disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) The oath or declaration is objected to by the Examiner.

#### Priority under 35 U.S.C. §§ 119 and 120

- 13) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) All b) Some \* c) None of:  
1. Certified copies of the priority documents have been received.  
2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\* See the attached detailed Office action for a list of the certified copies not received.
- 14) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).  
a) The translation of the foreign language provisional application has been received.
- 15) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

#### Attachment(s)

- 1) Notice of References Cited (PTO-892)  
2) Notice of Draftsperson's Patent Drawing Review (PTO-948)  
3) Information Disclosure Statement(s) (PTO-1449) Paper No(s) 4 .
- 4) Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_.  
5) Notice of Informal Patent Application (PTO-152)  
6) Other: \_\_\_\_\_

1. Applicant should note the changes to patent practice and procedure:
  - A) effective December 01, 1997 as published in the Federal Register, Vol 62, No. 197, Friday October 10, 1997; and
  - B) effective November 07, 2000 as published in the Federal Register, Vol 65, No. 54603, September 08, 2000.
2. The drawings are objected to because
  - A) the following errors have been noted in the drawings:
    - (1) The drawings are objected to as failing to comply with 37 CFR § 1.84(p)(5) because they include the following reference sign(s) not mentioned in the description:
      - (a) 1000 & 1020 of fig. 10 in the paragraph between page 4, line 16, and page 5, line 8, "To facilitate understanding ... combinations are then provided (step 1016).";
      - (b) 100 of fig. 1 in the paragraph between page 5, line 9, and page 6, line 4, "To facilitate discussion ... with the financial model engine 208.";
      - (c) 400 & 412 of fig. 4 in the paragraphs between page 8, line 9, and page 9, line 2, "FIG. 4 is a more ... in prices between stores in a cluster.";
      - (d) 116 of fig. 1 in the paragraph between page 11, line 17, and page 12, line 2, "After the clusters ... an example of such an optimization by cluster.";
      - (e) 300 & 616 of fig. 6 in the paragraph between page 13, line 11, and page 14, line 15, "In another embodiment ... in the same cluster have the same prices."; and
      - (f) 950 & 970 of fig. 9 in the paragraph between page 14, line 16, and page 15, line 2, "FIG. 9 is a flow chart ... by the cluster that the store is in (step 962)".

2.1 A proposed drawing correction or corrected drawings are required in reply to the Office action to avoid abandonment of the application. The objection to the drawings will not be held in abeyance.

2.2 Applicant is required to submit a proposed drawing correction in reply to this Office action. However, formal correction of the noted defect may be deferred until after the examiner has considered the proposed drawing correction. Failure to timely submit the proposed drawing correction will result in the abandonment of the application.

3. The disclosure is objected to because of the following informalities:

A) applicant must update:

(1) the continuing data on page 1,

with the current status of each of the referenced applications, e.g., --now abandoned--, or --now patent #?--, or --which is abandoned and now serial number #?--, etc.

B) as required by 37 CFR § 1.84(p)(5) and 37 CFR § 1.121(e) the specification lacks an explicit reference to the nature of:

(1) reference legend(s):

(a) 1000 & 1020 of fig. 10 in the paragraph between page 4, line 16, and page 5, line 8, "To facilitate understanding ... combinations are then provided (step 1016).";

(b) 100 of fig. 1 in the paragraph between page 5, line 9, and page 6, line 4, "To facilitate discussion ... with the financial model engine 208.";

(c) 400 & 412 of fig. 4 in the paragraphs between page 8, line 9, and page 9, line 2, "FIG. 4 is a more ... in prices between stores in a cluster.";

(d) 116 of fig. 1 in the paragraph between page 11, line 17, and page 12, line 2, "After the clusters ... an example of such an optimization by cluster.";

(e) 300 & 616 of fig. 6 in the paragraph between page 13, line 11, and page 14, line 15, "In another embodiment ... in the same cluster have the same prices."; and

(f) 950 & 970 of fig. 9 in the paragraph between page 14, line 16, and page 15, line 2, "FIG. 9 is a flow chart ... by the cluster that the store is in (step 962)".

In this regard, it is noted that merely mentioning a number without mentioning the device or operation of the step relies on the drawing to provide support for the disclosure and not to aid in the understanding of the invention, as is the purpose of the drawings (37 CFR § 1.81(a,b)).

C) the following errors have been noted in the specification:

(1) the specification lacks a ". " To conclude the last sentence of the paragraph between page 14, line 16, and page 15, line 2, "FIG. 9 is a flow chart ... by the cluster that the store is in (step 962)".

Appropriate correction is required.

4. The specification and drawings have not been checked to the extent necessary to determine the presence of all possible minor errors. Applicant's cooperation is requested in correcting any errors of which applicant may become aware in the specification or drawings. Applicant should note the requirements of 37 CFR § 1.74, § 1.75, § 1.84(o,p(5)), § 1.121(a)-1.121(f) & § 1.121(h)-1.121(i).

5. 35 U.S.C. § 101 reads as follows:

"Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title".

5.1 Claims 8-14 are rejected under 35 U.S.C. § 101 because the invention as claimed is directed to non-statutory subject matter.

5.1.1 The instant claims recite a system/device, (claims 8-14), which has a practical application in the technological arts, and which does not merely define either a computer program, a data structure, non-functional descriptive material, (i.e. mere data) or a natural

phenomenon. Hence, the instant claims merely define device that contains a series of steps that could be but are not necessarily to be performed on a computer.

5.1.2 It is further noted that applicant has not recited a specific machine since the operations recited in the claim are merely to illustrate the operations of the instant invention since these operations are not in fact implemented by a processor/computer. Hence, applicant envisions the invention as recited in claims 8-14 as a disembodied storage device, i.e. memory, that stores a computer program as a non-functional data structure. Such a disembodied storage device is not a specific machine because:

- A) it is not associated with a computer in such a way as to cause the computer to operate in a specific manner, (note In re Beauregard 35 USPQ2d 1383 (CAFC 1995) and the associated claims of U.S. Patent 5,710,578); and
- B) a memory alone can not perform the functions recited within the claims.

Therefore, the recited disembodied storage device, which itself can not perform the functions recited within the claims as the invention, is inoperative and lacks utility for the purpose of the invention.

5.1.3 In view of the above, the invention recited in claims 8-14, merely describes an abstract idea of a disembodied storage device, i.e. memory, that stores a computer program as a non-functional data structure, since a disembodied storage device by itself can not produce a concrete and tangible result by performing the functions recited within the claims as the invention (State Street Bank & Trust Co. v. Signature Financial Group Inc. 47 USPQ2d 1596 (CAFC 1998)). Hence, claims 8-14 do not have a claimed practical application, since the disembodied storage device is inoperative and therefore lacks utility for the purpose of the invention.

5.1.4 Nonfunctional descriptive material cannot render nonobvious an invention that would have otherwise been obvious. Cf. In re Gulack, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983) (when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability). Common situations involving nonfunctional descriptive material are:

- a computer that differs from the prior art solely with respect to nonfunctional descriptive material that cannot alter how the machine functions (i.e., the descriptive material does not reconfigure the computer), or
- a process that differs from the prior art only with respect to nonfunctional descriptive material that cannot alter how the process steps are to be performed to achieve the utility of the invention.

5.1.5 Hence, claims 8-14 are directed to non-statutory subject matter.

6. The following is an Examiner's Statement of Reasons for Allowance over the prior art:

A) the prior art, for example, either:

(1) Yeoman, which discloses that the optimum price from a group of items may be less than the initial market price of the group of items.

(2) Ouimet et al (WO 98/53415), which discloses that the profit for one or more items is a combination of prices and the psychological effect of promotion on demand models.

(3) Fernandez et al (6,052,686), which discloses the initial values of subsets of a group affect the results when determining the optimum or lowest costs for the group.

(4) Stevens (6,173,345), which discloses that a group may be optimized by examining subsets of the group.

B) however, the prior art does not teach or suggest:

(1) in regard to claims 1, 8 & 15, a method of clustering stores by determining the optimal group of subsets of the individual stores. Claims 2-7, 9-14 & 16-20 are allowable for the same reason.

7. The shortened statutory period of response is set to expire 3 (three) months from the mailing date of this Office action.

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Edward Cosimano whose telephone number is (703) 305-9783. The examiner can normally be reached Monday through Thursday from 7:30am to 6:00pm. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss, can be reached on (703)-308-2702. Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 308-1113.

- 8.1 The fax phone number for UNOFFICIAL/DRAFT FAXES is (703) 746-7240.
- 8.2 The fax phone number for OFFICIAL FAXES is (703) 305-7687.
- 8.3 The fax phone number for AFTER FINAL FAXES is (703) 308-3691.

02/23/03

*Edward Cosimano*  
Edward R. Cosimano  
Primary Examiner A.U. 3629